



MIAMI BEACH

OFFICE OF THE CITY MANAGER

NO. LTC # 311-2005

LETTER TO COMMISSION

TO: Mayor David Dermer and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager 

DATE: December 20, 2005

SUBJECT: **NORMANDY GOLF COURSE AND CLUBHOUSE**

The Administration has been asked to assess what options might be available for a temporary reopening of the Normandy Golf Course for the next six to eight month period. Several options have been reviewed with the most feasible being reopening as a park/open space, not for golf use, at an approximate cost of \$75,000.

Background

When the decision to close the golf course was made in May of 2005, it was based on the understanding that the initial project work to be done on the golf course was a component of the neighborhood drainage program which would utilize sections of the golf course swale as retention. This would necessitate the construction of berms and retention swales on the golf course edge(s) in specific areas. At the time of the closure it was anticipated the work would begin in October, 2005. The April 29, 2005 LTC advising the Commission of the course closure is attached.

While April 29, 2005 LTC anticipated course reconstruction to commence in October 2005, a number of issues have developed that has delayed the construction. In order to address regulatory requirements, the storm drainage design for the golf course was altered to include the addition of pressurized drainage wells into the course system. The additional design work to incorporate the injection wells, as well the DERM permitting process has caused a delay of several months in the start of construction. Additional delay was encountered in coordinating the simultaneous neighborhood right-of-way drainage work with the golf course drainage work. Originally the drainage work was anticipated to be done independent of each other without any interconnection during the construction period. DERM has approved conceptually the option of coordinating the neighborhood right-of-way drainage and the golf course drainage such that each project may proceed at the same time as expeditiously as possible. At this point, it is anticipated that an invitation to bid will be issued in January 2006 for award in early summer 2006 followed shortly by construction of the golf course renovations.

At the time of the golf course closure in April 2005, the lease expired under which PCM (Professional Course Management) had been operating the Normandy Shores Golf Course which required them to pay all operational expenses. At that time PCM had offered to continue to operate and manage the Normandy Shores golf course throughout the 2005 summer months with the City collecting all revenue and assuming all expenses and paying PCM a management fee. Based on the previous year's summer play at Normandy Shores it was estimated that after income and expenses the City could realize a loss of approximately \$200,000 for the period of May - September. Based on the anticipated construction commencing in late summer and the potential operational loss, it was determined to be more cost effective and in the best interest of the City to close the course in advance of the construction.

A decision to reopen the Normandy Shores Golf Course should include at minimum the following considerations:

- The existing conditions of the golf course;
- Time and cost to restore it to minimum acceptable playing conditions;
- Time and cost to restore the clubhouse to a usable condition;
- Projected operational costs and management fees to maintain the golf course, clubhouse, pro-shop, cart fleet, golf course maintenance equipment etc, until construction begins.

Existing conditions

Since the course closure on May 2, 2005, the Normandy Shores golf course has been cut at one height by one staff member assigned from the Miami Beach Golf Club. It was anticipated this maintenance level would be acceptable for the short period of time until the golf course was to become a construction site in late summer. The golf course was not being watered or fertilized and no herbicides or pesticides have been applied. This was done with the understanding the course would be completely demolished and constructed new. At this time the golf course has many weeds and the extensive rains and impacts of the numerous tropical storms and hurricanes has made it difficult for the one staff member to keep up with the mowing of the grass. There has also been damage to the course from the last hurricane.

The combination of not watering and not applying fertilizers, herbicides and pesticides is most evident on the tees and greens, which have deteriorated completely and not considered playable for golf.

Golf Course Use options and costs

Several options for a temporary reopening were assessed at a variety of service levels. The highest level of service would be to reopen the course at close to pre-closure conditions and services.

The Golf Course Management Company assisted in the preparation of this service option and the alternate options that follow.

Per the attached letter from Johnny LaPonzina, President of Professional Course Management, it is his professional assessment that:

- The restoration of the fairways and roughs to pre-closure conditions could be done within 90 days if an aggressive weed control program was initiated immediately and a regular mowing at fairway height is performed three times per week. The restoration of the bunkers can also be completed in 90 days and will require substantial investment in labor and materials to do so.
- The tees and greens are beyond restoration and would need to be replanted. A quote to replant the tees and greens was requested from T.D.I., the golf course construction company that built the Miami Beach Golf Club. According to the estimate provide by T.D.I. the cost to reconstruct the tee boxes is \$77,712 and the cost to reconstruct the greens is \$153,302 for a total cost of \$230,714.
- According to Mr. LaPonzina the most critical consideration in the decision to reopen the Normandy Shores Golf Course prior to reconstruction is time. The earliest planting start possible is in is late January, a time when Bermuda and Paspalum grass begin their dormancy. This start would have to be expedited and not a typical bid process. In Mr. LaPonzina's professional estimation the earliest the greens would be playable is late April or early May, 2006, assuming mild and favorable winter season conditions. The time to rebuild versus the start of construction in the summer of 2006 makes the option of reopening to pre-closure conditions highly impractical all other issues or costs notwithstanding.

In reopening at close to pre-closure levels, expenses with the Club House would also be incurred. At this time the Normandy Shores Clubhouse has been closed to the public for approximately six months. Prior to opening it would require a full cleaning of the interior as well as an inspection/ cleaning of the air conditioning system. Additionally, several months prior to closing the interior restrooms/ locker rooms were deemed unusable and a portable restroom trailer unit was rented and installed outside the facility. This unit would need to be rented and installed back in its previous location. Additionally, the water, sewer and electric would need to be reconnected. The cost of renting the restroom trailer at time of the closure was \$625.00 per month; this cost would again be assumed by the City. The cost of reconnecting the utilities would also apply.

At the time of closing, the clubhouse had a minimum food and beverage services operation. The restaurant equipment was in very poor condition and for the most part

not functional. An expenditure to purchase new equipment would be necessary if any food and beverage service would be anticipated. The requirements of the City's Building Department and other permitting agencies must also be taken into consideration. At this time it is difficult to provide an accurate estimate of costs to reopen the clubhouse.

Other operational expenses include:

- According to an estimate developed by PCM based on their past fiscal history of operating the Normandy Shores Golf Course the total cost for the golf course operations, pro-shop and food & beverage and all other related expenses for the period of December 2005 – June 30, 2006 is approximately \$670,000. Assuming the golf course is restored and ready for play in April of 2006 the total revenue generated is estimated at approximately \$191,000. Assuming there are no delays in grow-in and opening preparations the estimated cost to the City net of revenue would be approximately \$479,000.
- At the time of closure the golf cart fleet leased by PCM was returned to EZ Go Golf Carts. The Administration has had a preliminary discussion with EZ Go Golf Carts concerning the availability of the rental of a 75 cart fleet on a short term basis (3-6 months). EZ Go is willing to consider transferring the cart fleet presently being used at the Miami Beach Golf Club to Normandy in mid-December when the new fleet is delivered to the Club. The cost to lease the fleet would be \$5,000 per month.

The following summary is the total estimated cost to restore to pre-closure service levels, open and operate the Normandy Shores Golf Course for the period of December, 2005 to June 30, 2006:

• Tees / Green Reconstruction	\$230,714
• Hurricane repairs	30,000
• Operations Expenses	<u>670,000</u>
Total Expenses	\$930,714
Less Projected Revenue:	<u>\$191,000</u>
Estimated Operating Loss for the 7 month period:	\$739,714

Other Alternatives to reopening:

- Reopen with no rebuilding of the course, yet offer similar services to above, including bathrooms, golf carts, club house availability.
 - Operations Expenses
 - Hurricane repairs
 - Total Expenses

\$581,000
<u>30,000</u>
\$611,000

No revenue is projected as the course would be in poor condition in this option. Complaints would be anticipated.

- Reopen with only minimal repairs for hurricane damage and no services. In this option no bathrooms, clubhouse or carts would be available and the course would be in very poor condition.

○ Operations Expenses	\$275,000
○ Hurricane repairs	<u>30,000</u>
Total Expenses	\$305,000

No revenue is projected as the course would be in poor condition in this option. Complaints would be anticipated.

- Reopen as a park/open space rather than as a golf course. The Parks and Recreation Department has quotes from their landscape contractors who cut the grass in the City parks for the complete cutting and litter control of the Normandy Shores Golf Course on a regular schedule of 14 days in the winter and every 10 days in the summer. Additionally the perimeter of the property would be litter controlled 3 times per week. The lowest bid came back at \$3,665 per cut. In the same period of December, 2005 – June 30, 2006 the cost to the City to have the Normandy Shores Golf Course maintained at the same level as other parks would be approximately \$75,000.

Of the options available, none of the reopening scenarios that would make golf available are feasible for the time periods that are in consideration. It is feasible and cost effective to reopen as a park/open space to allow some community use in the interim before course reconstruction will commence. The services anticipated would be grass cutting and litter control. The City would also clean debris as a result of Hurricane Wilma. Reopening would provide useable green space and also provide a level of maintenance and appearance more appropriate to the course setting. The Administration will proceed with the option of reopening as park/open space unless otherwise directed by the City Commission.

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CITY OF MIAMI BEACH
Office of the City Manager
Letter to Commission No. 111-2005



To: Mayor David Dermer and
Members of the City Commission

Date: April 29, 2005

From: Jorge M. Gonzalez
City Manager

A handwritten signature in black ink, appearing to read "Jorge", written over the printed name.

Subject: Closing of the Normandy Shores Golf Course

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CITY CLERK'S OFFICE

Please be advised that the Normandy Shores Golf Course will be closing effective May 2, 2005. This closure is in anticipation of the capital improvement project(s) planned for the neighborhood in the near future. This coincides with the expiration of the current lease agreement between the City of Miami Beach and Professional Course Management (PCM), the golf course management company who has leased the course from the City since October of 2001.

On November 25, 2003, the Mayor and City Commission approved the first amendment to the Interim Management Agreement with Professional Course Management II, Ltd., (PCM) extending the term of the agreement for provision of the professional services for the management and operation of the City's Normandy Shores from September 30, 2003, to April 30, 2004. The amendment was initiated based on the Administration's plan that the Normandy Shores Golf Course would be closed for construction renovations in the late spring of 2004. As the term of this amended agreement concluded on April 30, 2004, and there were issues related to the final scope of improvements for the Normandy Shores Golf Course and clubhouse still under discussion the administration of Professional Course Management offered to extend the term through April 30, 2005, under the existing agreement terms and conditions. This offer was accepted and approved by the City Commission in March of 2004.

At the time the extension was entered into PCM also offered an alternative to this amendment where by PCM would manage the Normandy Golf Course for the City under a similar agreement to that used at the Miami Beach Golf Club (MBGC). In the MBGC agreement the City pays a management fee and all revenue and expense is assumed by the City. As summer play is very low, this arrangement would result in a net and unbudgeted loss to the City which is why PCM is not willing to continue to operate under the existing terms. Based on 2004 data, the estimated loss would be approximately \$200,000.00. The MBGC can easily absorb the rounds of golf play in its summer operations as its summer play is also reduced from the main season. Typical summer volume at the Normandy course averages approximately 1,800 rounds per month.

The initial project work to be done on the golf course is a component of the neighborhood drainage program which will utilize sections of the golf course swale as retention. The new drainage program will require the golf course to contain and retain any watershed generated on it. This will necessitate the construction of berms and retention swales on the

the golf course edge(s) in specific areas. It is anticipated this work will begin in October 2005 and be completed by March 2006. In the meantime, the golf course construction documents, which are being completed by the design team, would be processed for permit through the City's Building Department and the required regulatory agencies. Once an internal review of the construction documents is completed, an Invitation To Bid (ITB) package would be prepared to implement the construction of the Project. It is anticipated that the permitting process would be complete by the time the ITB package is advertised, in late August 2005. The construction would commence in October 2005. The construction of the improvements is scheduled to take 18 months, with the opening to the public scheduled for May 2007.

In reference to the clubhouse, the Administration is negotiating a contract through its Job Order Contracting (JOC) program for a design-build project. Construction documents need to be developed and processed for permit before construction begins. The construction is scheduled to be coordinated with the golf course Project and be completed by the same time.

The improvements currently planned are very similar to those made at the Miami Beach Golf Club. These include the complete renovation of the golf course with new tees, fairways, greens, cart paths, irrigation and select landscaping. The golf turf will be the same as that used at the Miami Beach Golf Club which is paspalum. This will course is also planned to have the irrigation system capable of using salt or fresh water or a blend of both to water the sod. This has proven highly successful at the Miami Beach Golf Club because the playing surface is among the best in all of the southern United States.

In the interim between the closure of the golf course and the initiation of construction PCM has agreed to maintain a single staff member on the property to cut the grass on the course to a height similar to other parks (all one length including tees and greens and not to the specifications of a golf course).

We will keep you apprised of the projects progress and should you have questions, please advise.


J. McGRAW

c: Robert C. Middaugh, Assistant City Manager
Kevin Smith, Parks & Recreation Director

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